



SYNTHETIC MINOR OPERATING PERMIT

PERMITEE: Venture Oil & Gas, Inc.

FACILITY NAME: Coffin 14-10/Andress 13-4 No. 1/Marion Johnson 14-3 No. 1 Oil and Gas Production Facilities

LOCATION: Uriah, Monroe Co., AL

PERMIT NUMBER	DESCRIPTION OF EQUIPMENT, ARTICLE OR DEVICE
106-0034-X005	Venture Oil & Gas Oil and Gas Production Facilities

Note: See attached description

In accordance with and subject to the provisions of the Alabama Air Pollution Control Act of 1971, as amended, Ala. Code §§22-28-1 to 22-28-23 (2006 Rplc. Vol. and 2007 Cum. Supp.) (the "AAPCA") and the Alabama Environmental Management Act, as amended, Ala. Code §§22-22A-1 to 22-22A-15 (2006 Rplc. Vol. and 2007 Cum. Supp.), and rules and regulations adopted there under, and subject further to the conditions set forth in this permit, the Permittee is hereby authorized to construct, install and use the equipment, device or other article described above.

ISSUANCE DATE : **Draft**

Alabama Department of Environmental Management

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DESCRIPTION OF EQUIPMENT, ARTICLE OR DEVICE:

Venture Oil & Gas - Section [14] T4N R6E

Coffin 14-10 Well Site:

One (1) – 0.5 MMBtu/Hr heater treater
One (1) – 0.5 MMBtu/Hr line treater
Three (3) – 400 BBL crude storage tanks
One (1) – 400 BBL salt water storage tank
One (1) – 500 BBL power oil storage tank
Vapor Recovery Unit, Closed vent system & flare

Andresss 13-4 Well Site:

One (1) – 0.5 MMBtu/Hr heater treater
One (1) – 0.5 MMBtu/Hr line treater
Two (2) – 400 BBL crude storage tanks
One (1) – 400 BBL salt water storage tank
One (1) – 500 BBL power oil storage tank
Vapor Recovery Unit, Closed vent system & flare

Marion Johnson 14-3 No. 1 Well Site:

One (1) – 0.5 MMBtu/Hr heater treater
Two (2) – 400 BBL crude storage tanks
One (1) – 400 BBL salt water storage tank
One (1) – 500 BBL power oil storage tank
Vapor Recovery Unit, Closed vent system & flare

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1. This permit is issued on the basis of Rules and Regulations existing on the date of issuance. In the event additional Rules and Regulations are adopted, it shall be the permit holder's responsibility to comply with such rules.
2. This permit expires and the application is cancelled if construction has not begun within 24 months of the date of issuance of the permit.
3. This permit is not transferable. Upon sale or legal transfer, the new owner or operator must apply for a permit within 30 days.
4. The issuance of this permit does not convey any property rights of any sort, or any exclusive privilege.
5. The permittee shall not use as a defense in an enforcement action that maintaining compliance with conditions of this permit would have required halting or reducing the permitted activity.
6. Additions and revisions to the conditions of this Permit will be made, if necessary, to ensure that the Department's air pollution control rules and regulations are not violated.
7. Nothing in this permit or conditions thereto shall negate any authority granted to the Department pursuant to the Alabama Environmental Management Act or regulations issued thereunder.
8. A new permit application must be made for new sources, replacements, alterations or design changes which may result in the issuance of, or an increase in the issuance of, air contaminants, or the use of which may eliminate or reduce or control the issuance of air contaminants.
9. On completion of construction of the device for which this permit is issued, notification of the fact is to be given to the Chief of the Air Division. Authorization to operate the unit must be received from the Chief of the Air Division. Failure to notify the Chief of the Air Division of construction and/or operation without authorization could result in revocation of this permit.
10. All air pollution control devices and capture systems for which this permit is issued shall be maintained and operated at all times in a manner so as to minimize the emissions of air contaminants. Procedures for ensuring that the above equipment is properly operated and maintained so as to minimize the emission of air contaminants shall be established.
11. In case of shutdown of air pollution control equipment for scheduled maintenance for a period greater than **8 hours**, the intent to shut down shall be reported to the Air Division at least 24 hours prior to the planned shutdown, **unless accompanied by the immediate shutdown of the emission source.**

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12. In the event there is a breakdown of equipment in such a manner as to cause increased emission of air contaminants for a period greater than 8 hours, the person responsible for such equipment shall notify the Department within an additional 24 hours and provide a statement giving all pertinent facts, including the duration of the breakdown. The Department shall be notified when the breakdown has been corrected.
13. This permit is issued with the condition that, should obnoxious odors arising from the plant operations be verified by Air Division inspectors, measures to abate the odorous emissions shall be taken upon a determination by the Alabama Department of Environmental Management that these measures are technically and economically feasible.
14. Records will be maintained of the occurrence and duration of any startup, shutdown, or malfunction in the operation of the process equipment and any malfunction of the air pollution control equipment. These records will be kept in a permanent form suitable for inspection and will be retained for at least two years following the date of each occurrence.
15. Submittal of other reports regarding monitoring records, fuel analyses, operating rates, and equipment malfunctions may be required as authorized in the Department's air pollution control rules and regulations. The Department may require stack emission testing at any time.
16. All deviations from requirements within this permit shall be reported to the Department within 48 hours of the deviation or by the next work day while providing a statement with regards to the date, time, duration, cause and corrective actions taken to bring the sources back into compliance. A review and evaluation of this report shall be utilized in Departmental determination of whether or not a violation of a permit requirement or requirements occurred.
17. The Department must be notified in writing at least 10 working days in advance of all emission tests to be conducted and submitted as proof of compliance with the Department's air pollution control rules and regulations.

To avoid problems concerning testing methods and procedures, the following shall be included with the notification letter:

- (a) The date the test crew is expected to arrive, the date and time anticipated of the start of the first run, how many and which sources are to be tested, and the names of the persons and/or testing company that will conduct the tests.
- (b) A complete description of each sampling train to be used, including type of media used in determining gas stream components, type of probe lining, type of filter media, and probe cleaning method and solvent to be used (if test procedure requires probe cleaning).

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- (c) A description of the process to be tested, including the feed rate, any operating parameter used to control or influence the operations, and the rated capacity.
 - (d) A sketch or sketches showing sampling point locations and their relative positions to the nearest upstream and downstream gas flow disturbances.
 - (e) A pretest meeting may be held at the request of the source owner or the Department. The necessity for such a meeting and the required attendees will be determined on a case-by-case basis.
 - (f) All test reports must be submitted to the Department within 15 days of the actual completion of the test, unless an extension of time is specifically approved by the Department.
18. Any performance tests required shall be conducted and data reduced in accordance with the test methods and procedures contained in each specific permit condition unless the Director (1) specifies or approves, in specific cases, the use of a reference method with minor changes in methodology, (2) approves the use of an equivalent method, or (3) approves the use of an alternative method, the results of which he has determined to be adequate for indicating whether a specific source is in compliance.
19. In the event that this well is hydraulically fractured or re-fractured, the permittee shall comply with the applicable requirements outlined in 40 CFR 60 Subpart OOOO.
20. At no time shall the facility-wide NO_x, CO, VOC, and/or SO₂ emissions exceed 95 Tons/Consecutive 12-month period. Compliance with this requirement shall be demonstrated by the following methods:
- (a) The emergency flares shall be equipped, and operated, with:
 - (1) An air assist system
 - (2) A spark igniter or continuous pilot light
 - (b) The emergency flares shall not combust more than 440 MMScf/Consecutive 12-month period.
 - (c) The tanks shall be equipped with a Closed Vent System and Vapor Recovery Unit
 - (d) The heater treaters and line heaters shall each meet the following emission limits, as demonstrated by burning only produced gas OR purchased propane OR other fuel allowed by the Department, and retaining a copy of the gas analysis onsite:

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- (1) Particulate emissions shall not exceed 0.5 lb/MMBTU.
 - (2) SO₂ emissions shall not exceed 4.0 lb/MMBTU.
 - (e) The fuel gas volume burned in the heater treaters and line heaters shall be measured continuously OR estimated from engineering calculations.
 - (f) The produced gas volume burned in the flares shall be measured continuously OR estimated from engineering calculations.
 - (g) The exceedence of any requirement in this permit shall result in an immediate report per proviso 16 of this permit.
21. Each emission source that is identified in the description section of the cover page of this permit shall comply with the requirements specified in proviso 21(a) through (d) of this section of this subpart.
- (a) Except for one 6-minute period during any 60-consecutive minute period, each source shall not discharge into the atmosphere particulate that results in an opacity greater than 20%, as determined by a 6-minute average.
 - (b) At no time shall each source discharge into the atmosphere particulate that results in an opacity greater than 40%, as determined by a 6-minute average.
 - (c) Each source, especially the flares, shall be inspected at least once daily for visible emissions. If facility operating personnel notice visible emissions are being emitted from the source in excess of the opacity standards specified in provisos 21(a) or (b), then a visible emission observation that meets the requirements specified in proviso 21(c)(1) through (3) of this permit.
 - (1) Duration of each visible emission observation shall be a minimum of 15 minutes and no longer than 60 minutes.
 - (i) A visible emission event shall be defined as anytime the observed 6-minute average opacity exceed 20% for the 2nd time when utilizing Test Method 9
 - (ii) A visible emission event shall be defined as anytime the observed 6-minute average opacity exceed 40% for the 1st time when utilizing Test Method 9
 - (iii) A visible emission event shall be defined as anytime the accumulated time in which visible emissions were observed exceeds 12 minutes per observation when utilizing Test Method 22.
 - (2) Provided a visible emission event has occurred, the visible emission

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observation shall continue at a frequency suitable to defining the duration of the visible emission event. One 15 minute observation shall be undertaken to establish the end of the visible emission event.

- (3) The occurrence of a visible emission event triggers an immediate inspection, corrective action, and reporting to the Department within 48 hours or two work days.

22. The wellstream gas shall be tested as follows:

- (a) One representative sample of the gas stream shall be collected at a frequency of no less than once each six month period.
- (b) The sample collected shall be analyzed to determine its hydrogen sulfide (H₂S) concentration utilizing the Tutwiler procedures in 40 CFR §60.648 or the chromatographic analysis procedures in ASTM E-260 or the stain tube procedures in GPA 2377-86 or those provided by the stain tube manufacture.

[Stream H₂S Content (Mole %)]

- (c) The sample collected shall be analyzed to determine its volatile organic compound (VOC) content, molecular weight, and heat content while utilizing the chromatographic analysis procedures in 40 CFR Part 60 Appendix A, Method 18, Method 25A, ASTM Method D1826-77, or equivalent methods and procedures.

[Stream VOC Content (Mole%)]

[Stream Molecular Weight (Lb/Lb-mol)]

[Stream Heat Content (BTU/Scf)]

- (d) The frequency of testing, the components tested for, and methods and procedures that are used may be modified upon receipt of Department approval.

23. The following data shall be recorded and kept on file in a form suitable for inspection for a period of five (5) years:

- (a) The following data shall be recorded each day:

- (1) A notation that the flares was inspected for visible emissions; this may include a checkbox on a worklog, a handwritten note with the day and time, etc.
- (2) A copy of the results of each daily visible emission observation required per proviso 21.
- (3) The dates and times which define the duration(s) of any exceedence(s) of proviso 21(b).

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- (4) Any corrective measures taken to eliminate the visible emissions.
 - (b) The following shall be kept monthly:
 - (1) A copy of the fuel gas analysis shall be kept for each month of operation (this is not required if the fuel gas is the same as the produced gas)
 - (2) The gas volumes burned in the flares, heater treaters, and line heaters
 - (3) The rolling 12-month gas volume burned in each flare
 - (4) The cumulative rolling 12-month gas volume burned in both flares
 - (5) The operating hours for the flares, heater treaters, and line heaters
 - (c) The date, starting time and duration of each deviation from the requirements specified in this permit along with the cause and corrective actions taken.
 - (d) A copy of the produced gas analysis shall be kept in the file
24. A periodic monitoring report shall be submitted that meets the following requirements:
- (a) The following data shall be included, unless otherwise allowed or required by the Department:
 - (1) The monthly volumes of gas burned in the flares
[MScf/Month]
 - (2) The cumulative 12-month total volume of gas burned in the flares
[MScf/12 Consecutive Months]
 - (3) The cumulative 12-month total VOC Emissions from the flares
[Tons/ 12 Consecutive Months]
 - (4) A discussion of all deviations that occurred during the reporting period
 - (5) A copy of the most recent gas analysis
 - (b) The reports shall meet the following frequencies, unless otherwise allowed by the Department:

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- (1) The report covering the period of January 1 through June 30 shall be submitted by July 31
- (2) The report covering the period of July 1 through December 31 shall be submitted by January 31.

Draft

Date